

TRENDS

Tony Knowles, Governor

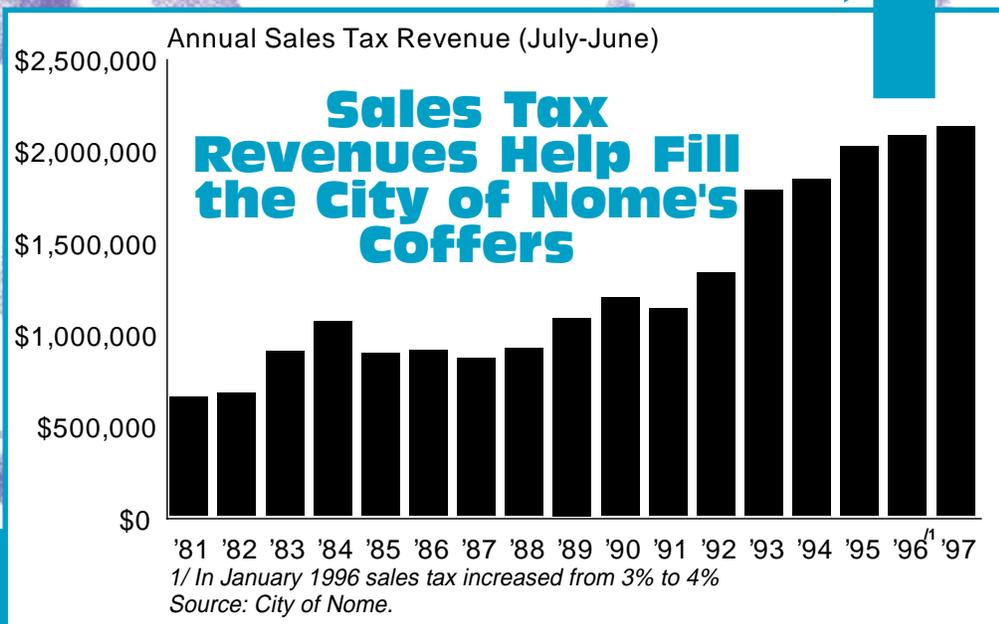
State of Alaska

Alaska Department of Labor

The Nome Census Area- ONE HUNDRED YEARS LATER

BY BRIGITTA WINDISCH-COLE

At the turn of the century, gold discoveries precipitated a stampede of fortune seekers to the Bering Strait region along Alaska's northwest coast. Thousands of would-be miners landed at a shoreline location that was to become the community of Nome.



Inside:

9-Construction Generates Employment Surge

July 1998
Volume 18
Number 7
ISSN 0160-3345

ALASKA ECONOMIC TRENDS

<http://www.state.ak.us/local/akpages/LABOR/research/research.htm>

Alaska Economic Trends is a monthly publication dealing with a variety of economic-related issues in the state.

Alaska Economic Trends is funded by the Employment Security Division and published by the Alaska Department of Labor, P.O. Box 21149, Juneau, Alaska 99802-1149. For more information, call the DOL Publications Office at (907) 465-6019 or email the authors.

Material in this publication is public information and, with appropriate credit, may be reproduced without permission.

Editor's Note: The views presented in guest articles in *Alaska Economic Trends* do not necessarily reflect the views of the Alaska Department of Labor.

Tony Knowles, Governor
State of Alaska
Tom Cashen, Commissioner
Department of Labor

Diana Kelm, Editor

Email Trends Authors at:

John_Boucher@labor.state.ak.us

John Boucher is an economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor. John is located in Juneau.

Brigitta_Windisch-Cole@labor.state.ak.us

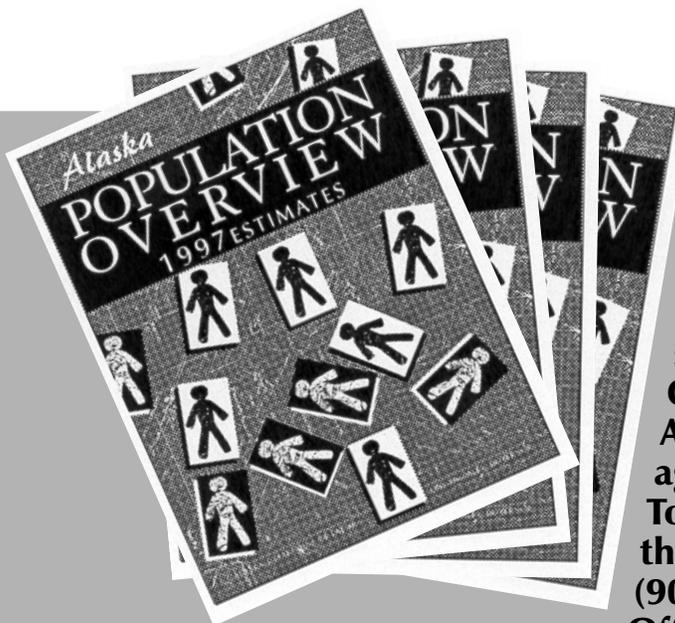
Brigitta Windisch-Cole is an economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor. Brigitta is located in Anchorage.

Subscriptions: Jo_Ruby@labor.state.ak.us

This publication, funded by the Department of Labor's Employment Security Division, was produced at a cost of \$.70 per copy.

*Printed and distributed by ASSETS,
a vocational training center and
employment program.*

With this July issue of *Alaska Economic Trends*, the Department of Labor is witnessing the disappearance of two familiar faces—the face of *Trends* itself as well as that of its designer, Jim Fowler, retired June 30. Over the years, Jim's covers became a hallmark of our economic and labor market information. His topical cover cartoons drew readers into the more serious material of our lead stories. Jim has been with the Labor Department for about 19 years, but it would take a calculator and some knowledge of department history to figure out just how many *Trends* covers that would be. Jim leaves behind a redesigned *Trends*, with a new face, which readers will notice with this issue.



***Alaska Population Overview 1997 Estimates* is now available from the Alaska Department of Labor, Research and Analysis Section. This publication presents the latest state and sub-state population estimates. Other examples of information about Alaska's population include population by age, male/female, and by race and ethnicity. To receive a copy of the publication, contact the DOL Research and Analysis Section at (907) 465-4500 or email the Subscriptions Office at the address listed above.**

The Nome Census Area- One Hundred Years Later

At the turn of the century, gold discoveries precipitated a stampede of fortune seekers to the Bering Strait region along Alaska's northwest coast. Thousands of would-be miners landed at a shoreline location that was to become the community of Nome. In 1900, according to the U.S. Census, the city of Nome was the largest settlement in Alaska, with 12,488 people. Local chronicles tell that, during the summer months of 1901, this population may have reached 20,000. As elsewhere, Nome's gold rush lasted only a few summers. By 1910, its population had shrunk to 3,200 residents. In 1920, only 852 people were recorded as living in the town. However, residents did remain, and Nome is now one of the oldest commerce and trade centers in the state. In 1997, the city had 3,595 residents and ranked as the twentieth largest among Alaska's inhabited places. The Nome Census Area includes 16 communities besides the city of Nome. Altogether 9,178 inhabitants live in the area. (See Exhibit 2.)

Today, gold is still mined in the Nome area, though on a much smaller scale. Tourism has evolved into a big local business. Government is a large employer, but private sector employment has grown. Subsistence, as in most of rural Alaska, continues to play an important role.

The Fame of Nome

News of the 1898 gold discoveries at Anvil Creek spread quickly among prospectors who had been seeking their fortunes in the Klondike of Canada's Yukon Territory. After gold was found on the beaches of Nome in 1899,

thousands of fortune seekers arrived on steamships from San Francisco and Seattle. Many of those opportunists, their imaginations filled with visions of gold-strewn beaches, expected to make

a quick fortune. Other entrepreneurs had more realistic views on how to build wealth, and concentrated on selling supplies, groceries and services to the prospectors. As a result of the stampede,

Population of Communities in the Nome Census Area **2**

	1990	1997	Annual Average Growth Rate
Nome Census Area	8,288	9,178	1.5%
Brevig Mission city	198	261	4.0%
Council	8	0	
Diomedede city	178	174	-0.3%
Elim city	264	291	1.4%
Gambell city	525	653	3.2%
Golovin city	127	152	2.6%
Koyuk city	231	272	2.4%
Nome city	3,500	3,595	0.4%
Port Clarence CDP	26	24	-1.2%
St. Michael city	295	341	2.1%
Savoonga city	519	622	2.6%
Shaktolik city	178	226	3.5%
Shishmaref city	456	542	2.5%
Solomon	6	0	
Stebbins city	400	513	3.6%
Teller city	232	265	1.9%
Unalakleet city	714	803	1.7%
Wales city	161	162	0.9%
White Mountain city	180	193	1.0%
Remainder of Nome Census Area	90	89	0.0%

Source: Alaska Department of Labor, Research and Analysis Section.

A Snapshot of the Nome Census Area Current Statistics and Census Information

3

the town of Nome was founded in 1901 and became the fifth Alaska settlement to incorporate as a city. After the gold rush, several hundred settlers remained in the area. Some continued to mine gold on their own, while others worked for the more profitable mining companies.

Still others developed commerce or provided services to the resident population. In spite of the harsh climate and six major catastrophes that each destroyed the town (fires in 1905 and 1934 and violent storms in 1900, 1913, 1945 and 1974), residents persevered. In addition, Nome's population endured the 1918-1925 influenza epidemic and diphtheria outbreak, which helped create the notoriety of the Iditarod Trail. Every year since 1972, dog mushers have raced dog teams from Anchorage to Nome to commemorate the 1925 delivery of life-saving serum.

A vast piece of Arctic Tundra

The U.S. Census Bureau boundaries around the Nome Census Area enclose a 23,013 square mile section of tundra landscape in northwest Alaska. In geographic terms, the area includes a major portion of the Seward Peninsula and a narrow southern stretch along the Norton Sound coast. The area extends west into the Bering Sea to encompass the three islands of St. Lawrence, King and Little Diomed. Some call the entire Nome area the Bering Strait region.

Seventeen communities of varying sizes are inhabited today. (See Exhibit 2.) Savoonga and Gambell are located on St. Lawrence Island. Diomed City (Inalik) is the only community on Little Diomed Island. Nearly 16 percent of the Nome Census Area's population resides on these two remote islands. On the mainland, the other communities are located close to or along the coast and can only be reached by air or, during six months of the year, waterways. During winter, a frozen or snow-covered tundra permits travel by snowmobile or dog sled.

	Alaska	Nome CA
Population 1997	611,300	9,178

The population is younger, with more persons per household

Median age (1997)	32.2	27.3
Persons per household (1997)	2.7	3.3

...and there are more children and more seniors (1997)

Percent under 5 years old	8.5	10.9
Percent school age population (5 to 17)	23.2	28.9
Percent adult workforce population (18 to 64)	63.2	54.5
Percent seniors (65 years & over)	5.1	5.7

...and fewer women .

Percent female (1997)	47.9	47.0
-----------------------	------	------

Demographics of the region (1997)

Percent Native American	16.7	80.6
Percent White	74.2	18.1
Percent African American	4.5	0.6
Percent Asian/Pacific Islander	4.6	0.7
Percent Hispanic	4.5	1.2

Higher unemployment levels (1997)

Percent of all 16+ in labor force ¹	72.2	57.6
Percent unemployed	7.9	11.7

Income measurements

Personal per capita income (1996)	\$24,597	\$17,754
Wage and salary employment (annual average wage 1997)	\$32,781	\$26,967

Educational attainment (1990)

Percent high school graduate or higher	86.6%	65.0%
Percent bachelor's degree or higher	23.0%	13.8%

¹based on 1997 population estimates

Sources: Alaska Department of Labor, Research and Analysis Section.
U. S. Department of Commerce, Bureau of Economic Analysis.

Indigenous people settled the area over 4,000 years before gold was discovered, and their ethnicity is reflected in the area's demographics. With the exception of Nome, the vast majority of the area's population, nearly 81 percent, are Alaska Natives. (See Exhibit 3.) Area Natives can trace their cultural roots to one of three distinct groups of Inuit (Eskimo)

people. While residents on the Seward Peninsula mostly identify with the Inupiat culture, descendants of the Central Yupiks tend to live south of Unalakleet. Most Inuit people with Siberian Yupik ancestry live on St. Lawrence Island and are closely related to the Chukotska people of the Russian Far East in culture and language.

A typical western Alaska region

In many ways, the economy of the Nome Census Area mirrors that of other western Alaska coastal areas. Economic activity is concentrated in the regional hub. The City of Nome, therefore, benefits not only from providing services and trade to its own population, but also to residents in outlying communities. Over 1,400 wage and salary jobs (nearly 40 percent) in the Nome Census Area are connected with either the services or retail industry. Among services, health care dominates. The Norton Sound Health Corporation is the second largest employer in the region, averaging over 400 employees. (See Exhibit 4.) This organization is the primary health care provider for the area's Alaska Natives as well as for the rest of the area's population. Though headquartered in Nome, many of the corporation's employees work in the smaller communities. The visitor industry has spurred retail, services and transportation employment. Unlike most other areas in Alaska, Nome has a popular and busy winter visitor season.

Tourism gives a big boost to Nome's economy

Probably the most important attraction to Nome is the legendary Iditarod Trail Sled Dog Race. Today's route is a 1,049-mile trail that starts at Wasilla in the Matanuska Valley of Southcentral Alaska and ends in Nome. Every year, in March, thousands of visitors come to Nome to watch the dog teams sprint across the finish line. The final leg of the trail winds along the Norton Sound coast through Unalakleet, Koyuk, Golovin, Shaktoolik, and White Mountain, all settlements of the Nome Census Area. The month of March is filled with special events in Nome. During the Iditarod, the town hosts the largest regional basketball tournament in the state. Most villages of western Alaska and even teams from Anchorage participate.

In summer, many visit Nome to commemorate its colorful past or to enjoy nature. Bird watchers come to observe rare migratory birds. The Nome Convention and Visitors Bureau noted

that, in 1994, about 11,800 visitors came with organized tours. In addition, local visitor industry observers report that the number of independent travelers is rising. The city's coffers have benefited from increased visitor spending. A sales tax (currently at 4%) has become an important source of public revenue. (See Exhibit 1.)

Native corporations are big employers

Regional and local Native corporations have created many jobs. Three of these corporations, or their affiliates, are among the area's largest employers. They include Norton Sound Health Corporation, Kawerak Inc., and Bering

Employers with 25 or More Employees in the Nome Census Area

4

Rank	Employer	Location/ Headquarters	Ann. Avg. Employment 1997
1	Bering Strait School District	Unalakleet	473
2	Norton Sound Health Corporation	Nome	412
3	Kawerak Inc.	Nome	156
4	Nome Public Schools	Nome	125
5	Alaska Gold Company	Nome	68
6	Ryan Air Service	Nome	63
7	Stebbins City Council	Stebbins	55
8	City of Nome	Nome	51
9	Bering Straits Regional Housing Authority	Nome	45
10	Nome Joint Utilities	Nome	45
11	Alaska Commercial Company	Nome	44
12	Alaska Department of Corrections	Nome	42
13	Alaska Department of Transportation and Public Facilities	Nome	41
14	MJW Inc. (Board of Trade Saloon)	Nome	41
15	Olson Air Service Inc.	Nome	39
16	Shishmaref IRA	Shishmaref	39
17	Bering Air Incorporated	Nome	37
18	Cape Smythe Air Service Inc.	Nome	34
19	City of Teller	Teller	30
20	Gambell Common Council	Gambell	27
21	Nome Nugget Inn	Nome	27
22	University of Alaska Fairbanks	Nome	27
23	Golovin Fire Department Bingo Account	Golovin	26
24	City of Brevig Mission	Brevig Mission	25
25	City of St. Michael	St. Michael	25
26	Alaska Airlines Inc.	Nome	25

*Note: Firms with identical employment ranked by unrounded employment.
Source: Alaska Department of Labor, Research and Analysis Section.*

Service Providers Dominate Private Sector Employers 1997



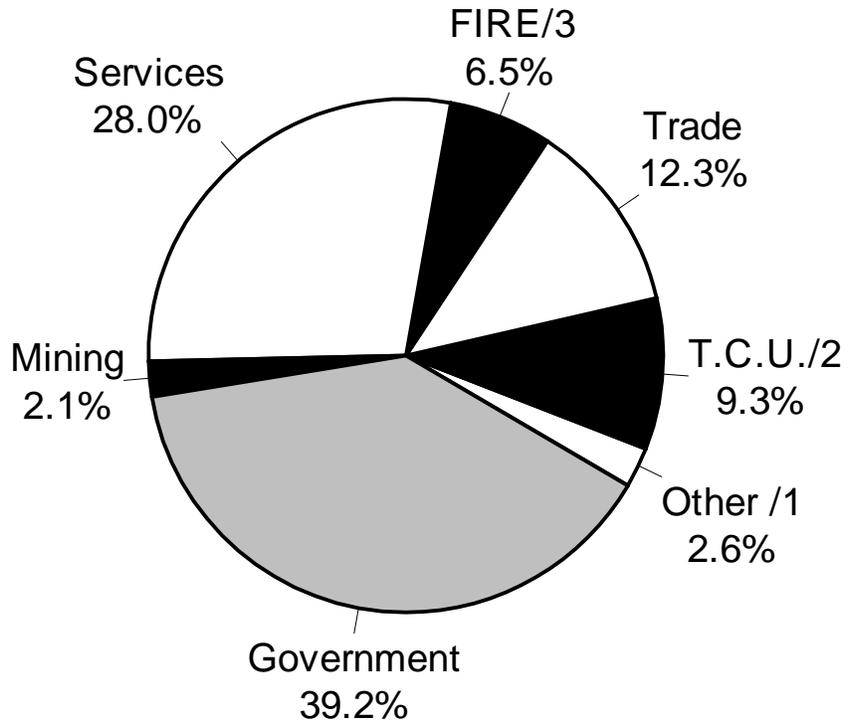
Straits Regional Housing Authority. (See Exhibit 4.) These corporations were established when the Alaska Native Claims Settlement Act of 1971 returned land ownership and its use to the indigenous people. The area's regional corporation is the Bering Straits Native Corporation (BSNC). It owns developed real estate in Nome and Valdez, a car rental agency, a construction firm, and other businesses. The nonprofit extension of BSNC is Kawerak Inc., which provides educational, cultural, and social services. In addition, this multi-faceted organization deals with land management, natural resource and subsistence issues. The village corporations and Nome's own Sitnasuak Native Corporation also administer land holdings. These corporations and their nonprofit extensions are involved in local business development, social and tribal issues.

Airways are the most traveled routes

Transportation, mostly airline and communications related, is the area's third largest private sector employer, providing 9.3% of all payroll jobs. (See Exhibit 5.) About a dozen airlines of various sizes are headquartered, or have stations, in Nome. The smaller ones support the outlying communities, while larger airline companies connect the area with other neighboring regional centers, Fairbanks or Anchorage. A distinct Nome airway, available as a charter service, opened an entry to the Russian Far East (the Chukotsk Peninsula) after the Iron Curtain was lifted. Not only the close proximity to Russia but also the renewed family relationships among the Yupik people, once kept apart by international politics, have helped to build this special gateway.

School-related jobs exist in nearly every community

The public sector plays a dominant role in the Nome area's employment scene. About 40 percent of all wage and salary earners hold public sector jobs. (See Exhibit 5.) Federal and state employment has decreased some during the past seven years. (See Exhibit 7.)



1/ Other: construction and manufacturing industry employment
 2/ Transportation, Communications, Utilities
 3/ Finance, Insurance, Real Estate

Source: Alaska Department of Labor, Research and Analysis Section.

But local government, mostly school-related, has grown. School enrollments have risen nearly every year, although enrollment levels in the city of Nome have varied. (See Exhibit 6.) This parallels the area's general population trend. While population in rural communities has grown, mainly through natural increase, the fluctuating city school enrollment suggests that Nome's population is more transient. The Bering Strait School District, headquartered in Unalakleet, is the area's largest employer. (See Exhibit 4.) The district's workforce is spread throughout 16 bush communities. In smaller settlements, these full or part-time jobs are considered

premium because of their higher wages and stability. In general, wage and salary jobs are scarce in rural northwest Alaska, and the school payrolls provide needed cash.

Nome's oldest industry faces a downturn

Nome's gold mining industry, in its 100-year existence, has experienced many ups and downs. Both World Wars I and II during this era virtually brought gold production to a standstill. Industry downturns have led to other shut downs—a fate that will soon recur. Alaska Gold Company, the state's largest placer

mine, has announced a closure that will affect nearly 70 miners. At this time, gold prices, currently hovering around \$300 per ounce, are too low to sustain the operation. The mine's closure will have a negative effect on the area's economy because about two percent of all wage and salary jobs will be lost. In monetary terms, this effect will more than double, as these jobs provided over four percent of the area's total wage earnings in 1997. Indirect effects will also be felt as support industries lose a big customer. In the near future, it will be up to the few independent placer miners, mostly family businesses, to uphold gold mining as a Nome tradition. A change in the price of gold, however, could make the shut down of Alaska Gold Company temporary.

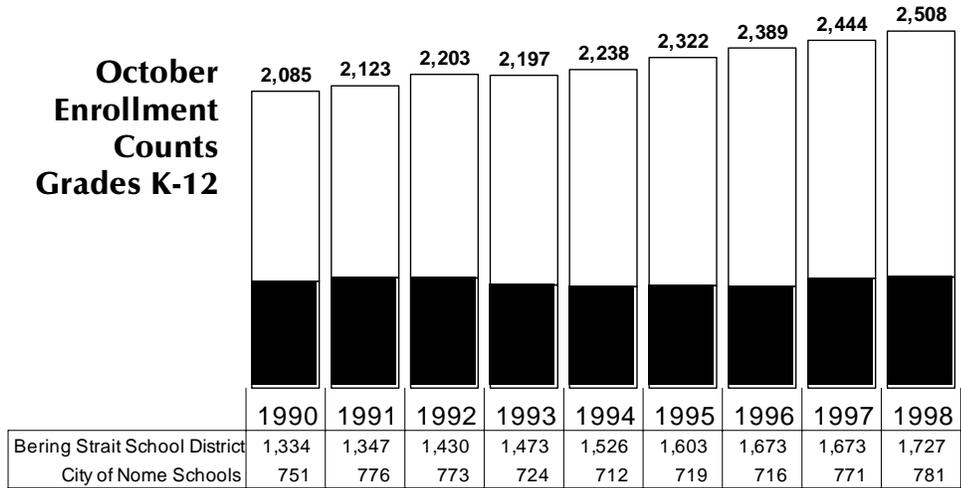
Subsistence and commercial fisheries mix

Hunting and personal use fishing have been important self-sustaining economies for many years. In the Nome Census Area, wildlife is abundant and hunting moose, sea mammals and other wildlife is a long-standing tradition. This subsistence hunting and fishing lifestyle

School Enrollment Keeps Climbing 6

■ City of Nome Schools
□ Bering Strait School District

October Enrollment Counts Grades K-12



Source: Alaska Department of Education.

Nome Census Area Employment by Industry, 1990-1997

	1990	1991	1992	1993	1994	1995	1996	1997	Annual Avg. Wage 1997
Total Industries	2,905	2,866	2,969	3,122	3,204	3,281	3,414	3,563	\$26,967
Mining	163	89	66	68	59	65	77	76	58,369
Construction	54	38	37	31	68	88	54	60	42,956
Manufacturing	9	20	16	18	26	34	58	30	22,486
Trans., Comm., & Util.	186	211	217	210	216	217	266	331	23,674
Trade	376	271	294	355	368	401	431	439	16,598
Wholesale Trade	1	2	3	5	7	8	5	8	*
Retail Trade	376	271	294	355	362	393	426	431	16,374
Finance, Ins., & R.E.	83	110	138	136	152	165	187	232	20,828
Services	704	775	853	914	952	957	966	999	26,904
Government	1,327	1,345	1,337	1,373	1,362	1,355	1,374	1,396	29,807
Federal	98	95	98	92	84	85	90	86	39,677
State	234	229	223	210	214	200	203	198	49,469
Local	995	1,021	1,017	1,071	1,064	1,069	1,082	1,114	25,564
Misc. & Unclassified	3	4	8	12	1	1	1	1	*

* Indicates nondisclosable

Source: Alaska Department of Labor, Research and Analysis Section.

also helps to stretch cash dollars in an area where grocery bills run high. Fishing has evolved over the years to be both of subsistence and commercial use. Commercial herring, salmon, halibut and crab harvests now help inject cash into the area's communities. During the 1996 season, for example, over 210 people fished commercially and their harvest yielded \$2.3 million. As elsewhere, Bering Strait and Norton Sound fishers have felt the downturn of market prices for salmon and other species, and, lately, harvest volume in several fisheries has been disappointing.

The Bering Sea fishery benefits all Nome area communities

A new fishery development introduced the Community Development Quota (CDQ) program in 1992 to assure that residents reap more of the benefits from the adjacent Bering Sea. Seven CDQ groups were formed in western Alaska to manage a special fishing harvest allocation and distribute the proceeds among their member villages. Currently,

these groups share a 7.5% annual exclusive harvest right for several high seas fisheries. This year, crab became a CDQ species with an introductory harvest share of 3.5%, which will increase to a 7.5% allotment by the year 2000. In the Bering Strait region, the Norton Sound Economic Development Corporation (NSEDC) manages the CDQ program. All settlements in the Nome Census Area are members of this Norton Sound CDQ group, with the exception of Shishmaref, which is not located on the Bering Sea. Shishmaref residents, however, do receive scholarships and work training from NSEDC. Between 1992 and 1997, the CDQ program generated nearly \$26.6 million for the region.

Norton Sound Economic Development Corporation has initiated development programs for its member villages to modernize and market the local fisheries, build a sound infrastructure, promote education and design work training programs. Savoonga, for example, received funds to build a cold storage plant to develop its halibut fishery. Recently, the organization purchased 50 percent of Glacier Fisheries LTD, which

operates two catcher/processing vessels in the Bering Sea.

The outlook for the Nome area

Need is going to drive the development of the area's infrastructure. Water and sewer system upgrades in Nome will continue this year. A senior housing project in Nome and the clean-up work of a former military site are also on the construction schedule. The Bering Straits Native Corporation will start to build a \$3.3 million hotel this year. Plans have been submitted by the Army Corps of Engineers to construct navigation improvements at the port in Nome that could cost nearly \$25 million. If commerce improves in Russia's Far East, the visitor industry could expand and even cross international borders. The Community Development Quota program will expand, thereby stimulating economic development in member communities. Moreover, there are always hopes that gold prices will recover sufficiently for Alaska's largest placer mine operator to resume production.

Construction Generates Employment Surge

Alaska Employment Scene

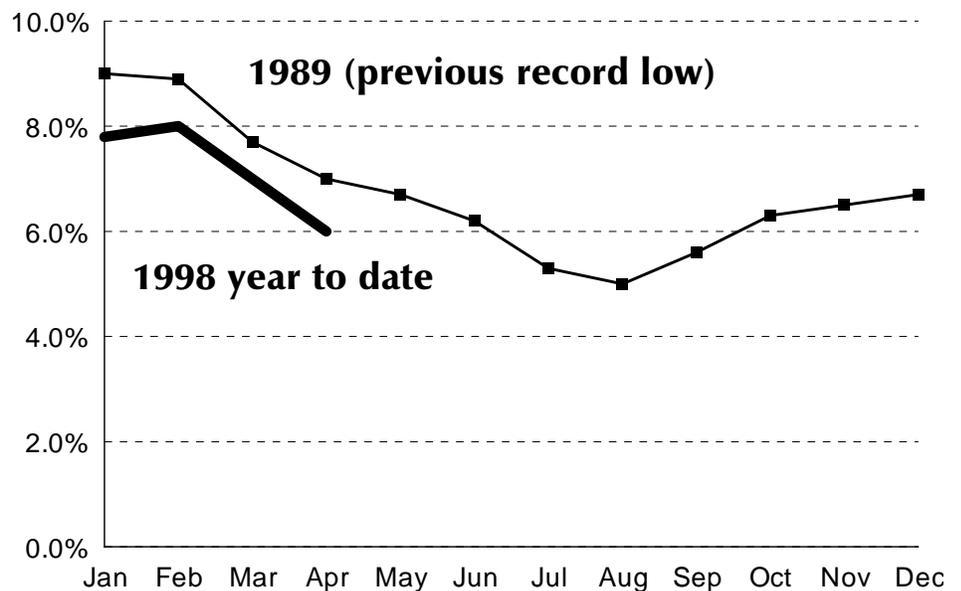
BY JOHN BOUCHER

Alaska's unemployment rate fell a full percentage point in April, coming in at 6.0%. April was the fourth consecutive month that the statewide unemployment rate set an all-time low for the month. In April 1989, the workforce that was needed to respond to the Exxon Valdez oil spill clean-up helped push the state's unemployment rate down to 6.6%. Last year, the unemployment rate for April was significantly higher at 8.7%. With more than one-quarter of 1998 in the books, the unemployment rate is on pace to shatter the previous annual low of 6.7% set in 1989. (See Exhibit 1.) A surge in oil industry activity and a healthy national economy are two important factors in the current record low levels of unemployment.

The record-setting pace of the unemployment rate moved Alaska closer to the national unemployment rate, but it was still well above the nation's because of the extraordinary performance of the national economy. The U.S. civilian not seasonally adjusted unemployment rate set a 25-year low in April at 4.1%. (See Exhibit 6.)

Alaska's urban areas led the way in April's jobless statistics. Anchorage, Fairbanks and Juneau all had unemployment rates below the statewide average, while the Kenai and Matanuska-Susitna Boroughs both saw large drops in their unemployment rates. Southwest Alaska was the primary exception to the overall trend of dropping unemployment rates in April. A slowdown in employment related to the winter fisheries was the primary cause of higher unemployment rates in parts of that region. The Yakutat Borough, at 15.2% unemployed, had the highest unemployment rate in the state. Yakutat is suffering a downturn in logging activity related to the Asian crisis.

Unemployment On Record-Low Pace monthly unemployment rates: 1998 compared to 1989



Source: Alaska Department of Labor, Research and Analysis Section.

2 Alaska

Nonagricultural Wage and Salary Employment by Place of Work

	p/	r/	Changes from:		
	4/98	3/98	4/97	3/98	4/97
Total Nonag. Wage & Salary	266,800	263,000	261,500	3,800	5,300
Goods-producing	36,400	36,200	35,800	200	600
Service-producing	230,400	226,800	225,700	3,600	4,700
Mining	10,200	10,300	9,500	-100	700
Oil & Gas Extraction	8,700	8,800	8,000	-100	700
Construction	10,800	9,700	10,700	1,100	100
Manufacturing	15,400	16,200	15,600	-800	-200
Durable Goods	2,800	2,500	3,000	300	-200
Lumber & Wood Products	1,600	1,500	1,900	100	-300
Nondurable Goods	12,600	13,700	12,600	-1,100	0
Seafood Processing	9,800	10,900	9,700	-1,100	100
Transportation	24,000	23,200	22,900	800	1,100
Trucking & Warehousing	2,800	2,700	2,700	100	100
Water Transportation	2,100	1,800	2,100	300	0
Air Transportation	8,400	8,100	7,900	300	500
Communications	4,300	4,200	4,000	100	300
Electric, Gas & Sanitary Svc.	2,300	2,300	2,100	0	200
Trade	54,100	53,000	53,000	1,100	1,100
Wholesale Trade	8,600	8,600	8,600	0	0
Retail Trade	45,500	44,400	44,400	1,100	1,100
Gen. Merch. & Apparel	8,800	8,800	8,600	0	200
Food Stores	6,800	6,800	6,800	0	0
Eating & Drinking Places	15,300	14,700	14,800	600	500
Finance-Ins. & Real Estate	12,000	11,900	11,800	100	200
Services & Misc.	65,300	64,400	63,100	900	2,200
Hotels & Lodging Places	5,700	5,300	5,400	400	300
Business Services	8,400	8,200	8,200	200	200
Health Services	15,100	15,000	14,500	100	600
Legal Services	1,700	1,600	1,700	100	0
Social Services	7,200	7,200	7,000	0	200
Engineering & Mgmt. Svc.	7,500	7,400	7,100	100	400
Government	75,000	74,300	74,900	700	100
Federal	16,900	16,600	16,900	300	0
State	22,200	21,800	22,400	400	-200
Local	35,900	35,900	35,600	0	300

Municipality of Anchorage

	p/	r/	Changes from:		
	4/98	3/98	4/97	3/98	4/97
Total Nonag. Wage & Salary	124,600	123,100	121,100	1,500	3,500
Goods-producing	10,300	9,800	9,900	500	400
Service-producing	114,300	113,300	111,200	1,000	3,100
Mining	2,700	2,700	2,400	0	300
Oil & Gas Extraction	2,500	2,600	2,300	-100	200
Construction	5,600	5,200	5,500	400	100
Manufacturing	2,000	1,900	2,000	100	0
Transportation	12,400	12,100	11,800	300	600
Air Transportation	5,300	5,200	4,900	100	400
Communications	2,600	2,500	2,400	100	200
Trade	30,400	30,000	29,700	400	700
Wholesale Trade	6,300	6,300	6,300	0	0
Retail Trade	24,100	23,700	23,400	400	700
Gen. Merch. & Apparel	4,400	4,400	4,400	0	0
Food Stores	2,900	2,900	2,900	0	0
Eating & Drinking Places	8,800	8,500	8,400	300	400
Finance-Ins. & Real Estate	7,100	7,100	7,100	0	0
Services & Misc.	35,600	35,400	34,300	200	1,300
Hotels & Lodging Places	2,700	2,600	2,500	100	200
Business Services	6,200	6,100	5,900	100	300
Health Services	7,800	7,800	7,400	0	400
Legal Services	1,200	1,200	1,200	0	0
Social Services	3,300	3,200	3,100	100	200
Engineering & Mgmt. Svc.	5,300	5,400	5,200	-100	100
Government	28,800	28,700	28,300	100	500
Federal	9,800	9,800	9,800	0	0
State	8,500	8,500	8,400	0	100
Local	10,500	10,400	10,100	100	400

Notes to Tables 1,2,3- Nonagricultural also excludes self-employed workers, fishers, domestics, and unpaid family workers.

Tables 1&2- Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Table 3- Prepared in part with funding from the Employment Security Division.

3 Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	4/97	p/	r/	4/97	p/	r/	4/97
	4/98	3/98	4/97	4/98	3/98	4/97	4/98	3/98	4/97
Mining	\$1,355.07	\$1,378.75	\$1,275.12	49.6	50.1	50.4	\$27.32	\$27.52	\$25.30
Construction	1,156.62	1,127.05	1,023.09	44.9	45.1	40.2	25.76	24.99	25.45
Manufacturing	482.17	603.75	481.57	43.4	59.6	43.7	11.11	10.13	11.02
Seafood Processing	373.93	545.61	381.29	44.2	65.5	45.5	8.46	8.33	8.38
Trans., Comm. & Utilities	637.94	648.43	624.92	33.7	34.2	34.0	18.93	18.96	18.38
Trade	414.08	414.00	412.16	33.1	33.2	33.4	12.51	12.47	12.34
Wholesale	626.42	629.05	625.44	37.6	37.6	38.3	16.66	16.73	16.33
Retail	373.52	372.42	370.01	32.2	32.3	32.4	11.60	11.53	11.42
Finance-Ins. & R.E.	545.59	551.40	512.95	36.3	36.3	36.2	15.03	15.19	14.17

p/ denotes preliminary estimates.

r/ denotes revised estimates.

Government includes employees of public school systems and the University of Alaska.

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 1997



Nonagricultural Wage and Salary Employment by Place of Work

Fairbanks

	p/		r/			Changes from:	
	4/98	3/98	4/97	3/98	4/97		
North Star Borough							
Total Nonag. Wage & Salary	31,800	31,200	31,350	600	450		
Goods-producing	2,750	2,700	2,850	50	-100		
Service-producing	29,050	28,500	28,500	550	550		
Mining	950	1,050	1,100	-100	-150		
Construction	1,300	1,150	1,250	150	50		
Manufacturing	500	500	500	0	0		
Transportation	2,700	2,650	2,250	50	450		
Trucking & Warehousing	500	500	500	0	0		
Air Transportation	700	650	650	50	50		
Communications	400	400	250	0	150		
Trade	6,500	6,400	6,400	100	100		
Wholesale Trade	800	750	800	50	0		
Retail Trade	5,700	5,650	5,600	50	100		
Gen. Merch. & Apparel	1,250	1,250	1,100	0	150		
Food Stores	600	700	750	-100	-150		
Eating & Drinking Places	1,850	1,800	1,850	50	0		
Finance-Ins. & Real Estate	1,000	1,000	1,000	0	0		
Services & Misc.	7,950	7,800	7,650	150	300		
Hotels & Lodging Places	700	700	600	0	100		
Health Services	1,950	1,950	1,900	0	50		
Government	10,900	10,650	11,200	250	-300		
Federal	3,250	3,150	3,250	100	0		
State	4,700	4,650	4,800	50	-100		
Local	2,950	2,850	3,150	100	-200		

Southeast Region

Total Nonag. Wage & Salary	34,650	33,250	34,750	1,400	-100
Goods-producing	4,850	4,300	5,050	550	-200
Service-producing	29,800	28,950	29,700	850	100
Mining	350	350	350	0	0
Construction	1,600	1,400	1,550	200	50
Manufacturing	2,900	2,550	3,150	350	-250
Durable Goods	1,450	1,300	1,500	150	-50
Lumber & Wood Products	1,200	1,100	1,250	100	-50
Nondurable Goods	1,450	1,250	1,650	200	-200
Seafood Processing	1,100	850	1,100	250	0
Transportation	2,600	2,450	2,550	150	50
Trade	6,150	5,800	6,150	350	0
Wholesale Trade	600	550	550	50	50
Retail Trade	5,550	5,250	5,600	300	-50
Food Stores	1,300	1,250	1,350	50	-50
Finance-Ins. & Real Estate	1,550	1,500	1,450	50	100
Services & Misc.	7,050	6,750	6,750	300	300
Health Services	1,700	1,650	1,600	50	100
Government	12,450	12,450	12,800	0	-350
Federal	1,750	1,700	1,900	50	-150
State	5,400	5,350	5,550	50	-150
Local	5,300	5,400	5,350	-100	-50

Northern Region

Total Nonag. Wage & Salary	15,350	15,550	14,800	-200	550
Goods-producing	5,300	5,350	4,850	-50	450
Service-producing	10,050	10,200	9,950	-150	100
Mining	4,800	4,900	4,400	-100	400
Oil & Gas Extraction	4,400	4,450	4,000	-50	400
Government	4,600	4,700	4,650	-100	-50
Federal	200	200	200	0	0
State	300	300	300	0	0
Local	4,100	4,200	4,150	-100	-50

Interior Region

	p/		r/			Changes from:	
	4/98	3/98	4/97	3/98	4/97		
Total Nonag. Wage & Salary	36,600	35,500	36,300	1,100	300		
Goods-producing	3,050	2,950	3,400	100	-350		
Service-producing	33,550	32,550	32,900	1,000	650		
Mining	1,150	1,250	1,300	-100	-150		
Construction	1,350	1,200	1,600	150	-250		
Manufacturing	550	500	500	50	50		
Transportation	3,200	3,050	2,700	150	500		
Trade	7,150	6,950	7,050	200	100		
Finance-Ins. & Real Estate	1,100	1,100	1,100	0	0		
Services & Misc.	8,850	8,550	8,500	300	350		
Hotels & Lodging Places	850	850	750	0	100		
Government	13,250	12,900	13,550	350	-300		
Federal	3,850	3,700	3,850	150	0		
State	4,950	4,850	5,050	100	-100		
Local	4,450	4,350	4,650	100	-200		

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	135,850	134,200	131,850	1,650	4,000
Goods-producing	11,150	10,600	10,650	550	500
Service-producing	124,700	123,600	121,200	1,100	3,500
Mining	2,700	2,700	2,450	0	250
Construction	6,300	5,850	6,100	450	200
Manufacturing	2,150	2,050	2,100	100	50
Transportation	13,400	13,100	12,850	300	550
Trade	33,250	32,750	32,350	500	900
Finance-Ins. & Real Estate	7,650	7,600	7,550	50	100
Services & Misc.	38,500	38,250	37,050	250	1,450
Government	31,900	31,900	31,400	0	500
Federal	9,950	9,950	9,900	0	50
State	9,300	9,250	9,300	50	0
Local	12,650	12,700	12,200	-50	450

Southwest Region

Total Nonag. Wage & Salary	18,300	19,500	17,750	-1,200	550
Goods-producing	5,800	7,200	5,550	-1,400	250
Service-producing	12,500	12,300	12,200	200	300
Seafood Processing	5,650	7,050	5,400	-1,400	250
Government	5,800	5,700	5,600	100	200
Federal	400	400	400	0	0
State	500	500	500	0	0
Local	4,900	4,800	4,700	100	200

Gulf Coast Region

Total Nonag. Wage & Salary	25,700	24,950	26,100	750	-400
Goods-producing	6,100	5,900	6,250	200	-150
Service-producing	19,600	19,050	19,850	550	-250
Mining	1,150	1,100	1,000	50	150
Oil & Gas Extraction	1,100	1,100	1,000	0	100
Construction	950	800	950	150	0
Manufacturing	4,000	4,000	4,300	0	-300
Seafood Processing	3,000	3,000	3,100	0	-100
Transportation	2,350	2,250	2,350	100	0
Trade	4,650	4,500	4,750	150	-100
Wholesale Trade	550	500	600	50	-50
Retail Trade	4,100	4,000	4,150	100	-50
Eating & Drinking Places	1,350	1,250	1,350	100	0
Finance-Ins. & Real Estate	700	650	700	50	0
Services & Misc.	5,100	4,900	5,150	200	-50
Health Services	1,100	1,050	1,100	50	0
Government	6,800	6,750	6,900	50	-100
Federal	700	650	700	50	0
State	1,600	1,600	1,700	0	-100
Local	4,500	4,500	4,500	0	0

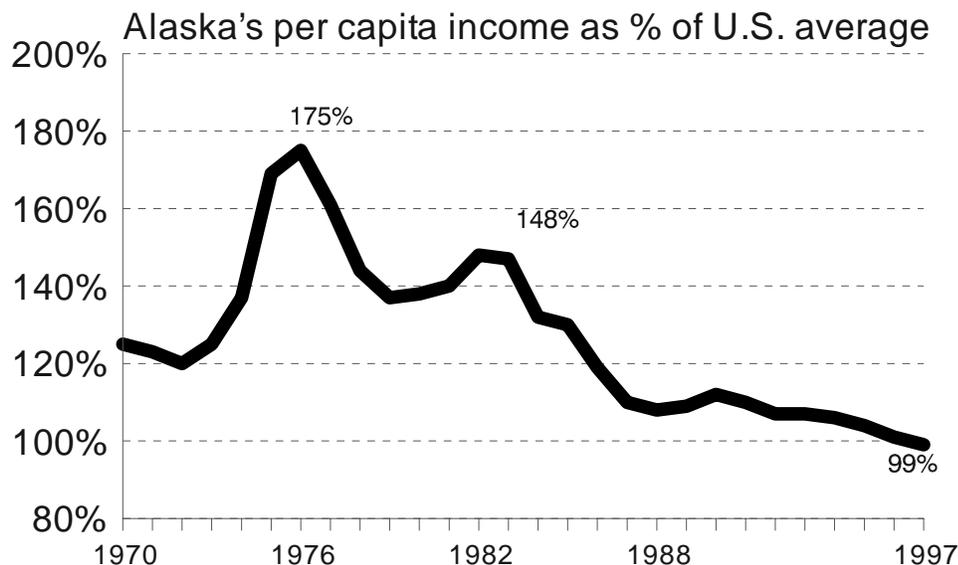
Construction starts strong

A wide variety of activity is pushing Alaska's construction industry to another strong performance in 1998. Anchorage-area construction work is propelling the state's employment numbers forward. The valuation of Anchorage construction is projected to top the \$400 million mark, which would be the highest valuation since the tail end of the building boom that occurred in the mid-1980s. Residential, commercial and public construction projects are contributing to the mix in Anchorage. Residential units are expected to top 1,500 during the year, which would also be the highest total since 1986. Commercial and industrial projects underway, such as the Marriott Residence Inn, the 350-room Columbia-Sussex hotel, the Federal Express freight-handling facility and a 16-screen theater complex are pumping up Anchorage's construction counts. Other projects such as the Native Heritage Cultural Center, improvements at Anchorage International Airport, and potentially the Alaska Seafood Center will also move ahead this summer. Public construction is perking up as numerous Anchorage-area highway and street jobs are paving the way to employment gains. The largest dollar-wise are the \$38 million Whittier access tunnel and the \$20 million Minnesota/International Airport Road interchange. Anchorage's military base construction is also keeping the area workforce busy on the nearly completed Elmendorf hospital and a new base exchange/commissary facility.

Outside of Anchorage, the construction picture is not as vigorous, but it is still performing fairly well. Oil industry activity, particularly construction of oil processing modules for the North Slope, will be a big contributor to employment both inside and outside of Anchorage during the next year or more. The only real negative in Alaska's construction picture in April was the over-the-year losses being posted in Interior Alaska. This loss is attributable to the end of construction activity associated with the Healy Clean Coal project.

Alaska's Per Capita Income Falls Below National Average

5



Source: U. S. Department of Commerce, Bureau of Economic Analysis.

Against the backdrop of an already busy construction season, the State of Alaska committed to one of the more ambitious capital expenditure packages in recent years, which will result in additional construction activity both this year and next. In a \$700 million package, the state committed funds to a variety of projects from school construction and maintenance projects to economic development projects.

Per capita income figures released

The U.S. Department of Commerce, Bureau of Economic Analysis, released preliminary per capita income figures, and Alaska slipped one notch in the state rankings from 18th to 19th. Per capita income in Alaska has been on a steady decline since the mid-1980s, and 1997 marked the first time that the state's per capita income has fallen below the national average. (See Exhibit 5.)

After a paltry 1.6% rate of income growth in 1996, income growth rebounded to 3.1% in 1997. Unlike 1996, income growth surpassed the rate of inflation. Still, Alaska was among the five slowest growing states in terms of per capita income growth last year. Slower wage growth, caused by the decline in high paying oil and gas and timber industry jobs in 1997, was a primary cause for the relatively slow income growth. On the horizon, 1998 could be a good year for Alaska's per capita income numbers, since the oil industry has rebounded strongly and the economy is currently growing at the fastest rate since the early 1990s.

April posts seasonal surge

Alaska's economy geared up for another active summer in the month of April, as the state added 3,800 jobs. The construction industry led the way, accounting for over 1,100 of the job gain.

Unemployment Rates by Region & Census Area **6**

(Continued from page 12)

Anchorage-area construction projects are generating a good portion of the surge in construction activity, and recent developments indicate the construction sector will continue on a hot streak through at least the end of the year.

Meanwhile, a thriving national economy and a growing Alaska job market are keeping the state's unemployment on pace to set a record low.

Not Seasonally Adjusted	Percent Unemployed		
	p/ 4/98	r/ 3/98	4/97
United States	4.1	5.0	4.8
Alaska Statewide	6.0	7.0	8.7
Anch./Mat-Su Region	4.9	5.5	7.2
Municipality of Anchorage	4.4	4.8	6.2
Mat-Su Borough	7.4	8.6	11.9
Gulf Coast Region	9.5	11.0	14.2
Kenai Peninsula Borough	10.8	12.8	15.4
Kodiak Island Borough	5.3	5.9	11.3
Valdez-Cordova	9.9	10.6	13.1
Interior Region	6.4	7.7	9.8
Denali Borough	7.4	12.8	14.3
Fairbanks North Star Borough	5.8	6.8	9.0
Southeast Fairbanks	10.9	12.8	15.6
Yukon-Koyukuk	14.0	16.3	17.1
Northern Region	7.8	7.7	11.7
Nome	9.2	8.4	14.1
North Slope Borough	4.3	5.0	5.6
Northwest Arctic Borough	11.0	10.8	16.9
Southeast Region	6.8	8.9	8.6
Haines Borough	11.6	15.4	13.8
Juneau Borough	5.0	6.4	6.5
Ketchikan Gateway Borough	7.2	8.7	9.5
Prince of Wales-Outer Ketchikan	11.0	15.3	14.0
Sitka Borough	4.8	6.6	6.8
Skagway-Hoonah-Angoon	8.0	11.6	10.1
Wrangell-Petersburg	9.4	12.7	10.2
Yakutat Borough	15.2	18.5	12.2
Southwest Region	7.0	6.8	8.7
Aleutians East Borough	2.3	1.5	3.8
Aleutians West	4.4	3.5	5.2
Bethel	7.2	7.0	9.2
Bristol Bay Borough	7.0	9.0	10.5
Dillingham	5.9	6.2	8.2
Lake & Peninsula Borough	9.6	10.3	10.7
Wade Hampton	13.3	13.0	14.3
Seasonally Adjusted			
United States	4.3	4.7	5.0
Alaska Statewide	5.7	6.0	8.3

p/ denotes preliminary estimates

r/ denotes revised estimates

Benchmark: March 1997

Data presented here are intended to show the relative condition of Alaska's labor force for the reference month. Data published for prior years are not necessarily comparable to current information, which does not reflect benchmark revisions.

The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.

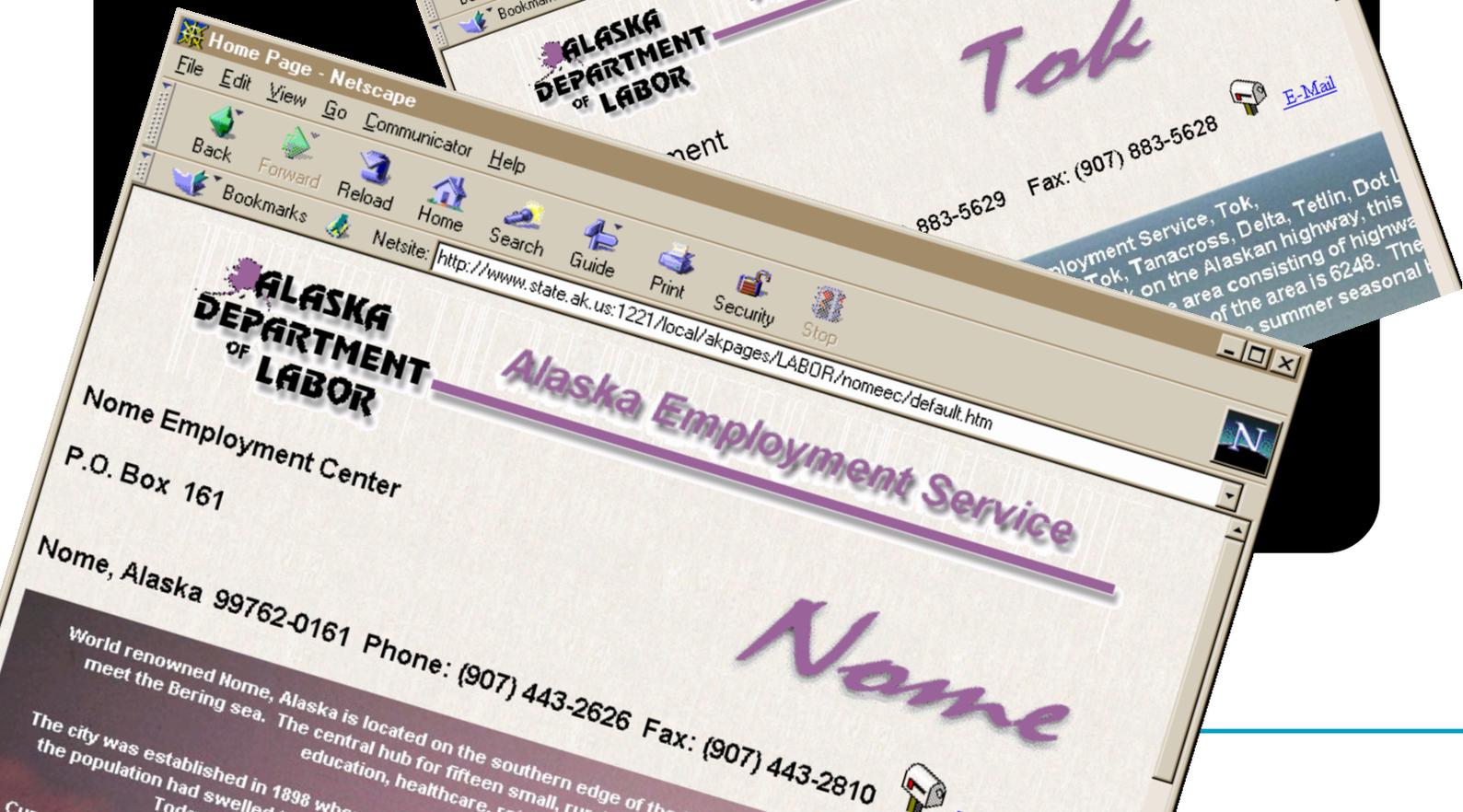
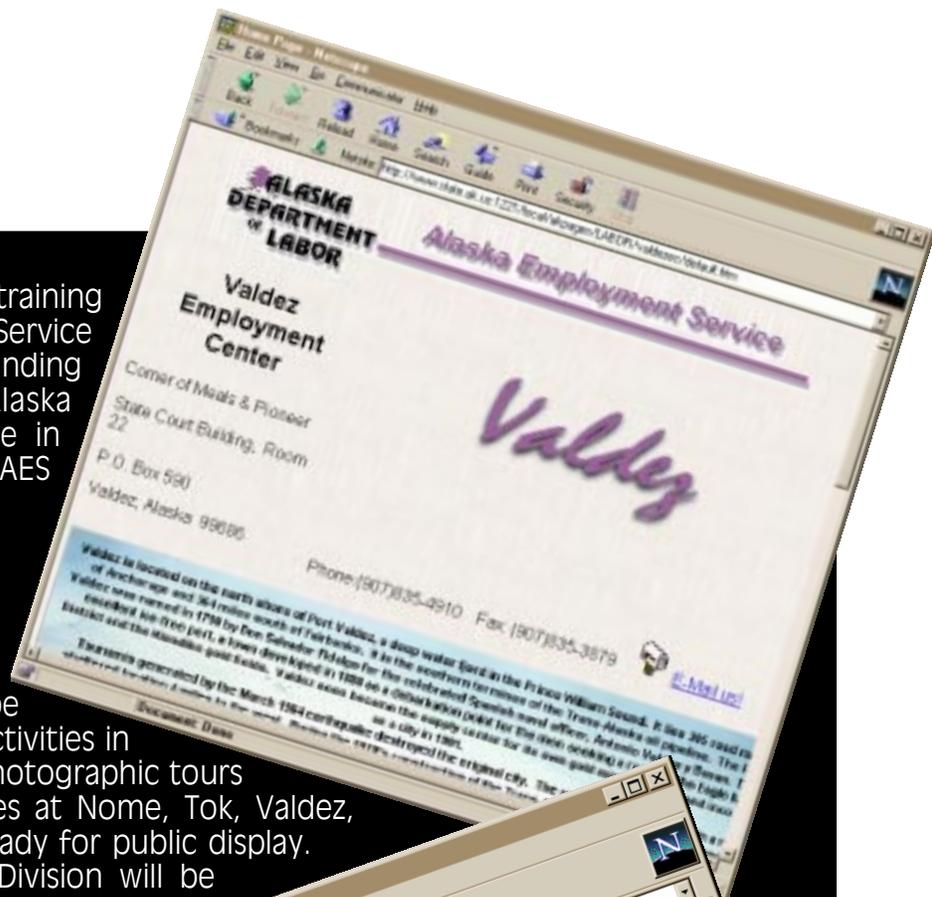
Source: Alaska Department of Labor, Research and Analysis Section.

Online in August...

Information about employment and training services at local Alaska Employment Service (AES) offices, and a look at their surrounding areas, will be available on the Alaska Department of Labor's Internet site in August. The Internet address for the AES homepage is

<http://www.state.ak.us/local/akpages/LABOR/offices/local-of.htm>

Visitors to each local office site will be able to link to other agencies and activities in the region as well as go on virtual photographic tours to points of interest. Currently, sites at Nome, Tok, Valdez, Homer, and Glennallen are nearly ready for public display. Staff in the Employment Security Division will be working on the project over the coming months until all 19 local offices have their own individual Internet sites.



Alaska Employment Service

Anchorage: Phone 269-4800

Kotzebue: Phone 442-3280

Kodiak: Phone 486-3105

Bethel: Phone 543-2210

Nome: Phone 443-2626/2460

Seward: Phone 224-5276

Dillingham: Phone 842-5579

Tok: Phone 883-5629

Juneau: Phone 465-4562

Eagle River: Phone 694-6904/07

Valdez: Phone 835-4910

Petersburg: Phone 772-3791

Mat-Su: Phone 352-2500

Kenai: Phone 283-2927

Sitka: Phone 747-3347/3423/6921

Fairbanks: Phone 451-5967

Homer: Phone 235-7791

Ketchikan: Phone 225-3181/82/83

Glennallen: Phone 822-3350

The Alaska Department of Labor shall foster and promote the welfare of the wage earners of the state and improve their working conditions and advance their opportunities for profitable employment.